



The William W. Backus
Hospital

RECEIVED

2006 JUN 13 PM 3:04

CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

June 13, 2006

Cristine A. Vogel
Commissioner
State of Connecticut
Office of Health Care Access
410 Capitol Avenue, MS #13HCA
P.O. Box 340308
Hartford, CT 06134-0308

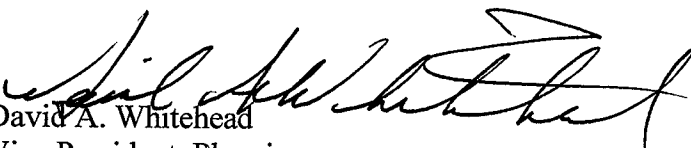
Dear Commissioner Vogel:

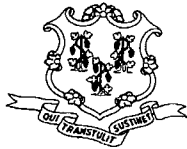
Enclosed please find an original and five (5) copies of our Certificate of Need Determination Form 2020 concerning the acquisition of assets of the Norwich Radiology Group, PC, located at 12 Case Street Norwich, CT, by The William W. Backus Hospital. This change of ownership for existing radiology services within the Hospital's zip code - 06360, Norwich, CT, will continue to support the current patient population served.

The scope of services to be offered are consistent with services currently authorized to be performed by the Hospital and the satellite location is approximately one mile from the Hospital's main campus in Norwich, CT.

If you have any questions, please contact me at 860-889-8331, extension 2722.

Sincerely,


David A. Whitehead
Vice President, Planning



**State of Connecticut
Office of Health Care Access
CON Determination Form
Form 2020**

RECEIVED
2006 JUN 13 PM 3:00
CONNECTICUT OFFICE OF
HEALTH CARE ACCESS

All persons who are requesting a determination as to whether a CON is required for a proposed project must complete this form. Completed forms should be submitted to the Commissioner of the Office of Health Care Access, 410 Capitol Avenue, Meriden, CT 06450, P.O. Box 340308, Hartford, Connecticut 06134-0308.

SECTION I. PETITIONER INFORMATION

If more than 2 Petitioners, please attach a separate sheet of paper and provide additional information in the format below:

	Petitioner	Petitioner
Full legal name	The William W. Backus Hospital	
Doing Business As	The William W. Backus Hospital	
Name of Parent Corporation	Backus Corporation	
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	326 Washington Street Norwich, CT 06360	
Petitioner type (e.g., P for profit and NP for Not for Profit)	NP	
Name of Contact person, including title	David A. Whitehead VP - Planning	
Contact person's street mailing address	326 Washington Street Norwich, CT 06360	
Contact person's phone, fax and e-mail address	860-889-8331, x2722 860-892-2728 dwhitehead@wwbh.org	

SECTION II. GENERAL PROPOSAL INFORMATION

- a. Proposal/Project Title:
Acquisition of Norwich Radiology Group, PC
- b. Location of proposal (Town including street address):
12 Case Street, Norwich, CT 06360
- c. List all the municipalities this project is intended to serve:
Norwich, Franklin, Bozrah, Preston, Sprague, Lisbon, Griswold, Voluntown
- d. Estimated starting date for the project:
July 1, 2006
- e. Type of Entity: (Please check *E* for Existing and *P* for Proposed in all the boxes that apply)

E P

☐ ☐

Acute Care Hospital

☐ ☐

Behavioral Health Provider

☐ ☐

Hospital Affiliate

E P

☐ ☐

Imaging Center

☐ ☐

Ambulatory Surgery Center

☒ ☒

Other (specify): Satellite office

E P

☐ ☐

Cancer Center

☐ ☐

Primary Care Clinic

SECTION III. EXPENDITURE INFORMATION

- a. Estimated Total Capital Expenditure/Cost: \$1,515,000/\$2,213,336
- b. Please provide the following breakdown as appropriate: (may not represent the aggregate shown above)

New Construction/Renovations	\$0
Medical Equipment (Purchase)	0
Imaging Equipment (Purchase)	0
Non-Medical Equipment (Purchase)	195,000
Sales Tax	0
Delivery & Installation	0
Total Capital Expenditure	\$1,515,000
Fair Market Value of Leased Equipment	698,336
Total Capital Cost	\$2,213,336

Major Medical and/or imaging equipment acquisition:

Equipment Type	Name	Model	Number of Units	Cost per unit

Note: Provide copy of contract with vendor for medical equipment.

c. Type of financing or funding source:

- ☒ Operating Funds
 ☐ Lease Financing
 ☐ Conventional Loan
☐ Charitable Contributions
 ☐ CHEFA Financing
 ☐ Grant Funding
☐ Funded Depreciation
 ☐ Other (specify): _____

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Please attach a separate 8.5" X 11" sheet(s) of paper and provide no more than a 2 page description of the proposed project, highlighting all the important aspects of the proposed project. Please be sure to address the following (if applicable):

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3. Will you be charging a facility fee?
4. Who is the current population served and who is the target population to be served?
5. Who will be providing the service?
6. Who are the payers of this service?

SECTION V. AFFIDAVIT

Applicant: The William W. Backus Hospital

Project Title: Acquisition of Norwich Radiology Group, PC

I, Daniel E. Lohr, Senior Vice President and CFO

(Name)

(Position – CEO or CFO)

of The William W. Backus Hospital being duly sworn, depose and state that the
information provided in this CON Determination form is true and accurate to the best of my
knowledge, and that The William W. Backus Hospital complies with the appropriate
(Facility Name)

and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-
486 and/or 4-181 of the Connecticut General Statutes.

Daniel E. Lohr
Signature

6/13/06
Date

Subscribed and sworn to before me on 6/13/06

Wanda B. Donahue
Notary Public/Commissioner of Superior Court

WANDA B. DONAHUE
NOTARY PUBLIC

My commission expires: MY COMMISSION EXPIRES FEB. 28, 2010

PROPOSAL DESCRIPTION

The William W. Backus Hospital is requesting a determination of Certificate of Need to acquire the assets of Norwich Radiology Group, PC, a radiology practice located in Norwich, CT since 1976.

This change of ownership does not constitute any new services for the Hospital as all the services provided by Norwich Radiology Group, PC are currently being provided by the Hospital within the same zip code (06360 - Norwich, CT). Also, the current radiologists of Norwich Radiology Group, PC will be joining the Hospital's contracted group (Norwich Diagnostic Imaging) and thus will continue to provide their services to the current population.

The community will benefit as the Hospital's electronic medical record and Picture Archiving Computer System (PACS) will now be available as a fully integrated information system for the Norwich Radiology Group, PC patients as well. This quality improvement opportunity could not reasonably be achieved any other way.

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.

Standard diagnostic imaging services including x-ray, CT, mammography, MRI, nuclear medicine, bone densitometry and ultrasound. A copy of the Hospital's DPH license is attached.

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Services being proposed are consistent with the current services being offered.

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The Hospital will charge a technical fee for the services offered.

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The current population served is those individuals seeking diagnostic imaging services within the Hospital's primary service area as defined in response to Section II, Question c.

5. Who will be providing the service?

Services will be provided through the Hospital based on a contractual relationship with Norwich Diagnostic Imaging.

6. Who are the payers of this service?

The payers of this service are consistent with payers of services offered by the Hospital.

STATE OF CONNECTICUT
Department of Public Health

LICENSE
License No. 0037

General Hospital

In accordance with the provisions of the General Statutes of Connecticut Section 19a-493:

The William W. Backus Hospital of Norwich, CT, d/b/a The William W. Backus Hospital is hereby licensed to maintain and operate a General Hospital.

The William W. Backus Hospital is located at 326 Washington Street, Norwich, CT 06360

The maximum number of beds shall not exceed at any time:

20 Bassinets

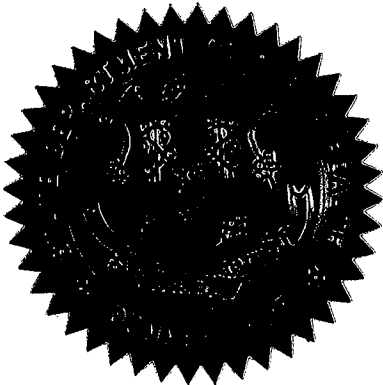
213 General Hospital beds

This license expires **March 31, 2008** and may be revoked for cause at any time.

Dated at Hartford, Connecticut, April 1, 2006. RENEWAL.

Satellites

Backus Infectious Disease & Std Clinics, 107 Lafayette Street, Norwich, CT
Mobile Health Resource Van, Colchester Town Hall, Colchester, CT
Pain Management, 36 Lafayette Street, Norwich, CT
Wound Care, 111 Salem Turnpike, Route 82, Norwich, CT



J Robert Galvin M.D., M.P.H.

J. Robert Galvin, M.D., M.P.H.,
Commissioner

Lazarus, Steven

From: Lazarus, Steven
Sent: Wednesday, June 14, 2006 1:49 PM
To: 'dwhitehead@wwbh.org'
Cc: Martone, Kim
Subject: CON Determination Report Number: 06-30766-DTR

Hello David,

As discussed over the phone, please forward to OHCA a completed CON Determination form which includes complete information on Norwich Radiology Group, P.C. and list of the imaging equipment currently located at Norwich Radiology Group, P.C. including their lease expiration dates and their current fair market value.

Please feel free to contact me if you have any further questions.

Thank you,
-Steven

Steven W. Lazarus

Associate Health Care Analyst
Certification, Financial Analysis & Forecasting
Office of Health Care Access
State Of Connecticut
410 Capitol Avenue
Hartford, Connecticut 06134
Phone (Direct Line): 860.418.7012
Fax (Primary Line): 860.418.7053
Website: www.ct.gov/ohca

6/14/2006

Lazarus, Steven

From: Whitehead, Dave [dwhitehead@wwbh.org]
Sent: Friday, June 16, 2006 2:09 PM
To: Lazarus, Steven
Subject: RE: CON Determination Report Number: 06-30766-DTR
Attachments: NRGDONv2.doc; NRG FMV.xls

Attached is the revised CON Determination form page 1 including the Norwich Radiology Group, P.C. (NRG) contact information. In addition, I have attached an Excel spreadsheet providing the Fair Market Value data you requested for the imaging equipment at NRG that is included in the asset acquisition.

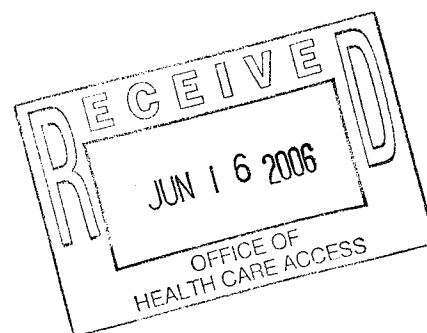
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Dave Whitehead

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 State Of Connecticut
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 Hartford, Connecticut 06134
 Phone (Direct Line): 860.418.7012
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 Website: www.ct.gov/ohca

This transmission is intended to be confidential to the individual(s) and/ or entity to whom addressed. It may contain information of a privileged and/or confidential nature, which may be subject to protection under the Privacy Act of 1974 and the Health Insurance Portability and Accountability Act (HIPAA) of 1996. In the event you are not the intended recipient or the agent of the intended recipient, or you are unable to deliver this communication to the intended recipient, do not read, copy, or use this information contained within this transmission, or allow it to be read, copied or utilized in any manner, by any other person(s).

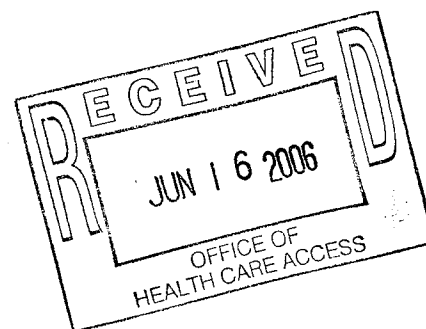
Should this transmission be received in error or there is a problem with the transmission, please notify the above named sender immediately at the telephone number provided

The William W. Backus Hospital

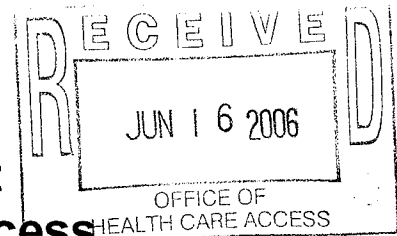
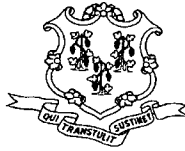
326 Washington St

Norwich CT 06360

860 889-8331



6/19/2006



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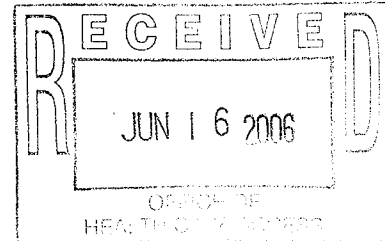
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Doing Business As	The William W. Backus Hospital	Norwich Radiology Group, P.C.
Name of Parent Corporation	Backus Corporation	NA
Mailing Address, if Post Office Box, include a street mailing address for Certified Mail	326 Washington Street Norwich, CT 06360	12 Case Street Suite 101 Norwich, CT 06360
Petitioner type (e.g., P for profit and NP for Not for Profit)	NP	P
Name of Contact person, including title	David A. Whitehead VP - Planning	Ajay I. Delal
Contact person's street mailing address	326 Washington Street Norwich, CT 06360	12 Case Street Suite 101 Norwich, CT 06360
Contact person's phone, fax and e-mail address	860-889-8331, x2722 860-892-2728 dwhitehead@wwbh.org	860-887-5355 860-887-4311 adalal7@hotmail.com

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- | | | |
|--|---|---|
| <input type="checkbox"/> <input type="checkbox"/> E P | <input type="checkbox"/> <input type="checkbox"/> E P | <input type="checkbox"/> <input type="checkbox"/> E P |
| <input type="checkbox"/> <input type="checkbox"/> Acute Care Hospital | <input type="checkbox"/> <input type="checkbox"/> Imaging Center | <input type="checkbox"/> <input type="checkbox"/> Cancer Center |
| <input type="checkbox"/> <input type="checkbox"/> Behavioral Health Provider | <input type="checkbox"/> <input type="checkbox"/> Ambulatory Surgery Center | <input type="checkbox"/> <input type="checkbox"/> Primary Care Clinic |
| <input type="checkbox"/> <input type="checkbox"/> Hospital Affiliate | X X Other (specify): Satellite office | |

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Applicant: The William W. Backus Hospital

Project Title: Acquisition of Norwich Radiology Group, PC

I, Daniel E. Lohr, Senior Vice President and CFO
(Name) (Position – CEO or CFO)

of The William W. Backus Hospital being duly sworn, depose and state that the
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(Facility Name)

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486 and/or 4-181 of the Connecticut General Statutes.

Signature

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

PROPOSAL DESCRIPTION

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The William W. Backus Hospital

Determination of Need for Acquisition of Norwich Radiology Group, P.C.
CON Determination Report Number 06-30766-DTR

Attachment A

Fair Market Value (FMV) of Leased Equipment

<u>Manufacturer</u>	<u>Equipment</u>	<u>FMV</u>	<u>Lease Expiration</u>
Hitachi	Open MRI	\$56,064	11/1/2006
RIS	AMICAS	\$46,080	11/1/2007
General Electric	CT HISPEED FX/1	\$160,994	3/30/2007
General Electric	Senographe 2000D	\$182,593	10/30/2007
General Electric	Senographe 2000D	\$159,827	3/30/2007
General Electric	CADx System	\$70,425	11/1/2007
Kodak	Dryview 8610 Laser Camera	\$22,353	3/30/2007
		\$698,336	

Fair Market Value (FMV) of Owned Equipment

<u>Manufacturer</u>	<u>Equipment</u>	<u>FMV*</u>	<u>Acquisition Date</u>
Acuson	Sequoia Ultrasound	N/A	9/1/2003
Dexa	Hologic/2	N/A	7/1/1997
Toshiba	Nuclear camera 7100A	N/A	5/1/1998
Siemens	General radiography/fluoroscopy	N/A	1/1/1973

* For all owned equipment the practice valuation determined the net asset value of all equipment, furniture and fixtures at \$195,000 from Norwich Radiology Group, P.C.'s Balance Sheet. This amount, \$195,000, has been included in Section III., b. of the Determination of Need form.

Lazarus, Steven

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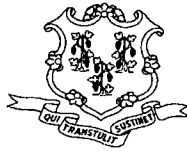
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860 889-8331

6/21/2006



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E P

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(Name)

(Position – CEO or CFO)

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knowledge, and that The William W. Backus Hospital complies with the appropriate
(Facility Name)

and applicable criteria as set forth in the Sections 19a-630, 19a-637, 19a-638, 19a-639, 19a-
486 and/or 4-181 of the Connecticut General Statutes.

Signature

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

My commission expires: _____

PROPOSAL DESCRIPTION

The William W. Backus Hospital is requesting a determination of Certificate of Need to acquire the assets of Norwich Radiology Group, PC, a radiology practice located in Norwich, CT since 1976.

This change of ownership does not constitute any new services for the Hospital as all the services provided by Norwich Radiology Group, PC are currently being provided by the Hospital within the same zip code (06360 - Norwich, CT). Also, the current radiologists of Norwich Radiology Group, PC will be joining the Hospital's contracted group (Norwich Diagnostic Imaging) and thus will continue to provide their services to the current population.

The community will benefit as the Hospital's electronic medical record and Picture Archiving Computer System (PACS) will now be available as a fully integrated information system for the Norwich Radiology Group, PC patients as well. This quality improvement opportunity could not reasonably be achieved any other way.

1. Currently what types of services are being provided? If applicable, provide a copy of each Department of Public Health license held by the Petitioner.

Standard diagnostic imaging services including x-ray, CT, mammography, MRI, nuclear medicine, bone densitometry and ultrasound. A copy of the Hospital's DPH license is attached.

2. What types of services are being proposed and what DPH licensure categories will be sought, if applicable?

Services being proposed are consistent with the current services being offered.

3. Will you be charging a facility fee?

The Hospital will charge a technical fee for the services offered.

4. Who is the current population served and who is the target population to be served?

The current population served is those individuals seeking diagnostic imaging services within the Hospital's primary service area as defined in response to Section II, Question c.

5. Who will be providing the service?

Services will be provided through the Hospital based on a contractual relationship with Norwich Diagnostic Imaging.

6. Who are the payers of this service?

The payers of this service are consistent with payers of services offered by the Hospital.

The William W. Backus Hospital
Determination of Need for Acquisition of Norwich Radiology Group, P.C.
CON Determination Report Number 06-30766-DTR

Attachment A

Fair Market Value (FMV) of Leased Equipment

<u>Manufacturer</u>	<u>Equipment</u>	<u>FMV</u>	<u>Lease</u> <u>Expiration</u>
Hitachi	Open MRI	\$56,064	11/1/2006
RIS	AMICAS	\$46,080	11/1/2007
General Electric	CT HISPEED FX/1	\$160,994	3/30/2007
General Electric	Senographe 2000D	\$182,593	10/30/2007
General Electric	Senographe 2000D	\$159,827	3/30/2007
General Electric	CADx System	\$70,425	11/1/2007
Kodak	Dryview 8610 Laser Camera	\$22,353	3/30/2007
		\$698,336	

Fair Market Value (FMV) of Owned Equipment

<u>Manufacturer</u>	<u>Equipment</u>	<u>FMV*</u>	<u>Acquisition</u> <u>Date</u>
Acuson	Sequolia Ultrasound	N/A	9/1/2003
Dexa	Hologic/2	N/A	7/1/1997
Toshiba	Nuclear camera 7100A	N/A	5/1/1998
Siemens	General radiography/fluoroscopy	N/A	1/1/1973

* For all owned equipment the practice valuation determined the net asset value of all equipment, furniture and fixtures at \$195,000 from Norwich Radiology Group, P.C.'s Balance Sheet. This amount, \$195,000, has been included in Section III., b. of the Determination of Need form.



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 28, 2006

David A. Whitehead
Vice President, Planning
The William W. Backus Hospital
326 Washington Street
Norwich, Connecticut 06360

Re: Certificate of Need Determination, Report No.: 06-30766-DTR
The William W. Backus Hospital and Norwich Radiology Group, P.C.
Acquisition of Radiology Practice and its Assets

Dear Mr. Whitehead:

On June 16, 2006, the Office of Health Care Access ("OHCA") received your Certificate of Need ("CON") Determination request regarding the proposal of The William W. Backus Hospital ("Hospital") to acquire Norwich Radiology Group, P.C. ("Practice") (together referred herein as "Petitioners") and its assets, including a CT Scanner and MRI scanner at a total capital cost of \$2,213,336.

Please be advised that OHCA has reviewed the information contained in your request and makes the following findings:

1. The Hospital is a non-profit acute care hospital located at 326 Washington Street, Norwich, Connecticut.
2. The Hospital through this petition is proposing to acquire the Practice and all its assets.
3. The Practice is a radiology practice located at 12 Case Street, Norwich, Connecticut.
4. The Petitioners will continue to serve the Hospital's existing population which includes the towns of Norwich, Franklin, Bozrah, Preston, Sprague, Lisbon, Griswold and Voluntown.

An Equal Opportunity Employer

410 Capitol Avenue, MS #13HCA, P.O. Box 340308, Hartford, Connecticut 06134-0308

Telephone: (860) 418-7001 • Toll free (800) 797-9688

Fax: (860) 418-7053

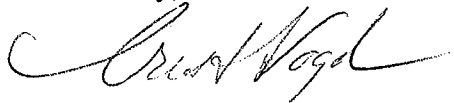
5. As a result of this proposal, according to the Petitioners:
 - a. The radiologists of the Practice will be joining the Hospital's contracted group (Norwich Diagnostic Imaging) and thus will continue to provide services to the current population;
 - b. The community will benefit as the Hospital's electronic medical record and Picture Archiving Computer System will become available as a fully integrated information system for the Practice patients as well; and
 - c. The Hospital will acquire all of the assets of the Practice, including a CT Scanner and an MRI Scanner.
6. Public Act 05-93 of the Connecticut General Statutes requires CON authorization for acquisition of a CT scanner or an MRI scanner regardless of cost.

Based on the above findings, OHCA determines that the proposal of The William W. Backus Hospital to acquire Norwich Radiology Group, P.C. and its assets, including a CT scanner and MRI scanner at a total capital cost of \$2,213,336, requires CON approval from OHCA pursuant to Public Act 05-93 C.G.S. and Section 19a-639 C.G.S.

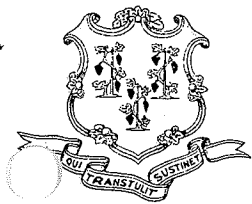
OHCA considers the submission of information received on June 16, 2006, as the Letter of Intent for this matter; therefore, William W. Backus Hospital may file a completed CON application with OHCA between August 15, 2006, and October 14, 2006. The CON Application is being mailed to your attention separately.

If you have any questions concerning this letter, please contact Steven W. Lazarus, Associate Health Care Analyst, at OHCA at (860) 418-7012.

Sincerely,



Cristine A. Vogel
Commissioner



M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT
OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

June 29, 2006

David Whitehead
Vice President, Planning
The William W. Backus Hospital
326 Washington Street
Norwich, CT 06360

RE: Certificate of Need Application Forms, Docket Number 06-30766-CON
The William W. Backus Hospital
Acquisition of Norwich Radiology Group, P.C. and its Assets, including a CT
Scanner and an MRI Scanner

Dear Mr. Whitehead:

Enclosed are the application forms for The William W. Backus Hospital's Certificate of Need ("CON") proposal for the acquisition of Norwich Radiology Group, P.C. and its assets, including a CT scanner and an MRI scanner with an associated capital expenditure of \$2,213,336. According to the parameters stated in Section 19a-639 of the Connecticut General Statutes the CON application may be filed between August 15, 2006, and October 14, 2006.

When submitting your CON Application, please paginate and date each page contained in your submission. In addition, please submit one (1) original and five (5) hard copies; as well as a scanned copy of the complete Application, including all attachments, on CD or Diskette. OHCA requests a copy of the submission be in MS Word format and the scanned copy be in Adobe format. Please submit the Financial Attachment and other data as appropriate in MS Excel format.

The analyst assigned to the CON application is Steven W. Lazarus. Please feel free to contact him at (860) 418-7001, if you have any questions.

Sincerely,

A handwritten signature in cursive script, appearing to read "Kimberly Martone".

Kimberly Martone
Certificate of Need Supervisor

Enclosures

HOSPITAL AFFIDAVIT

Applicant: _____

Project Title: _____

I, _____,
(Name) (Position – CEO or CFO)

of _____ being duly sworn, depose and state that the (Hospital Name) information submitted in this Certificate of Need application is accurate and correct to the best of my knowledge. With respect to the financial impact related to this CON application, I hereby affirm that:

1. The proposal will have a capital expenditure in excess of \$15,000,000.
☐ Yes ☐ No
2. The combined total expenses for the proposal's first three years of operation will exceed one percent of the actual operating expenses of the Hospital for the most recently completed fiscal year as filed with the Office of Health Care Access.
☐ Yes ☐ No

Signature

Date

Subscribed and sworn to before me on _____

Notary Public/Commissioner of Superior Court

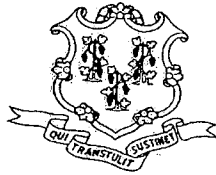
My commission expires: _____

OFFICE OF HEALTH CARE ACCESS
REQUEST FOR NEW CERTIFICATE OF NEED
FILING FEE COMPUTATION SCHEDULE

APPLICANT: _____ PROJECT TITLE: _____ DATE: _____	FOR OHCA USE ONLY: <table style="width: 100%;"> <thead> <tr> <th style="width: 70%;"></th> <th style="width: 15%;">DATE</th> <th style="width: 15%;">INITIAL</th> </tr> </thead> <tbody> <tr> <td>1. Check logged (Front desk)</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>2. Check rec'd (Clerical/Cert.)</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>3. Check correct (Superv.)</td> <td>_____</td> <td>_____</td> </tr> <tr> <td>4. Check logged (Clerical/Cert.)</td> <td>_____</td> <td>_____</td> </tr> </tbody> </table>		DATE	INITIAL	1. Check logged (Front desk)	_____	_____	2. Check rec'd (Clerical/Cert.)	_____	_____	3. Check correct (Superv.)	_____	_____	4. Check logged (Clerical/Cert.)	_____	_____
	DATE	INITIAL														
1. Check logged (Front desk)	_____	_____														
2. Check rec'd (Clerical/Cert.)	_____	_____														
3. Check correct (Superv.)	_____	_____														
4. Check logged (Clerical/Cert.)	_____	_____														

SECTION A – NEW CERTIFICATE OF NEED APPLICATION	
1. Check statute reference as applicable to CON application (see statute for detail): _____ 19a-638. Additional function or service, Change of Ownership, Service Termination. No Fee Required. _____ 19a-639 Capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding \$400,000 but less than or equal to \$1,000,000. Fee Required. _____ 19a-639 Capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding \$1,000,000 or other capital expenditure exceeding \$1,000,000. Fee Required. _____ 19a-638 and 19a-639. Fee Required.	
2. Enter \$0 on "Total Fee Due" line (SECTION B) if application is required pursuant to Section 19a-638 only, otherwise go on to line 3 of this section.	
3. Enter \$400 on "Total Fee Due" line (SECTION B) if application is for capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding \$400,000 but less than or equal to \$1,000,000	
4. Section 19a-639 fee calculation (applicable if section 19a-639 capital expenditure for major medical equipment, imaging equipment or linear accelerator exceeding \$1,000,000 or other capital expenditure exceeding \$1,000,000 is checked above <u>OR</u> if both 19a-638 and 19a-639 are checked): a. Base fee: _____ b. Additional Fee: (Capital Expenditure Assessment) _____ (To calculate: Total requested Capital Expenditure/Cost excluding capitalized financing costs multiplied times .0005 and round to nearest dollar.) (\$ _____ x .0005) c. Sum of base fee plus additional fee: (Lines A3a + A3b) _____ d. Enter the amount shown on line A3c. on "Total Fee Due" line (SECTION B).	\$ 1,000.00 \$ _____ .00 \$ _____ .00
SECTION B TOTAL FEE DUE: _____	\$ _____ .00

ATTACH HERE CERTIFIED OR CASHIER'S CHECK ONLY (Payable to: Treasurer, State of Connecticut)



State of Connecticut Office of Health Care Access Certificate of Need Application

Please complete all questions. If any question is not relevant to your project, Not Applicable may be an acceptable response. Your Certificate of Need application will be eligible for submission no earlier than August 15, 2006, and may be submitted no later than October 14, 2006. The Analyst assigned to your application is Steven W. Lazarus and may be reached at the Office of Health Care Access at (860) 418-7001.

Docket Number: 06-30766-CON

Applicant(s) Name: The William W. Backus Hospital

Contact Person: David Whitehead
Contact Title: Vice President, Planning
Contact Address: The William W. Backus Hospital
326 Washington Street
Norwich, CT 06360

Project Location: Norwich

Project Name: Acquisition of Norwich Radiology Group, P.C. and its Assets, including a CT Scanner and MRI scanner

Type proposal: Section 19a-639, C.G.S.

Est. Capital Expenditure: \$2,213,336

1. Expansion of Existing or New Service

What services are currently offered at your facility that the proposed expansion or new service will augment or replace? Please list.

Augment: _____

Replace: _____

2. State Health Plan

No questions at this time.

3. Applicant's Long Range Plan

Is this application consistent with your long-range plan?

☐ Yes

☐ No

If "No" is checked, please provide an explanation.

4. Clear Public Need

A. Explain how the determined there was a need for the proposal in your service area the proposed CT scanner and the MRI scanner.

- i) Provide the following information:
 - a) Primary and secondary service area towns for The William W. Backus Hospital ("Hospital") and the proposed
 - b) In a table format, provide the following for *the Hospital* and *each of the proposed CT scanner and MRI scanner*, procedure, scan, visit, etc. for the past three fiscal years by service area town
 - c) The population to be served, including the number of individuals to receive the proposed service(s). Include demographic information, as appropriate.
 - d) Scheduling backlogs in service area
 - e) Travel distance from proposed site to service area towns
 - f) Hours of operation of existing/proposed service
- ii) What will be the effect of your proposal on existing providers (i.e. patient volume, financial stability, quality of care, etc.)?
- iii) In a table format, provide the following for *the Hospital* and *each of the proposed CT scanner and MRI scanner*, the projected units of service for the first three years of service.

- iv) Provide the units of service projected for the first three years of operation of the proposed CT scanner and the MRI scanner.
Include the derivation/calculation.
- v) Provide the information as outlined in the following table concerning the existing providers' (in the Applicant's PSA) current operations:

Description of Service ¹	Provider Name and Location	Hours and Days of Operation ²	Current Utilization ³

¹ If proposal concerns imaging equipment, provide a description of the equipment used by the Provider, if known. For MRI scanners, include Tesla strength, and whether or not the scanner is considered to be "open" or "closed".

² Specify days of the week and start and end time for each day.

³ Number of scans performed on specified scanner by Provider for the most recent 12 month period, if known.

- B. Will your proposal remedy any of the following barriers to access?
Please provide an explanation.

- ☐ Cultural ☐ Transportation
☐ Geographic ☐ Economic
☐ None of the above ☐ Other (Identify) _____

If you checked other than None of the above, please provide an explanation.

- C. Provide copies of any of the following plans, studies or reports related to your proposal:

- ☐ Epidemiological studies ☐ Needs assessments
☐ Public information reports ☐ Market share analysis
☐ Other (Identify) _____
☐ None: *explain* why no reports, studies or market share analysis was undertaken related to the proposal:

5. Quality Measures

- A. If the proposal is for a new technology or procedure, have all appropriate agencies approved the proposed procedure (e.g., FDA etc.)?

☐ Yes ☐ No ☐ Not Applicable

If "No", please provide an explanation.

- B. Check off all the Standard of Practice Guidelines that will be utilized by the Applicant for the proposed service. Please submit the most recent copy of each report related to the proposal:

<input type="checkbox"/> American College of Cardiology	<input type="checkbox"/> National Committee for Quality Assurance	<input type="checkbox"/> Public Health Code & Federal Corollary
<input type="checkbox"/> National Association of Child Bearing Centers	<input type="checkbox"/> American College of Obstetricians & Gynecologists	<input type="checkbox"/> American College of Surgeons
<input type="checkbox"/> Report of the Inter- Council for Radiation Oncology	<input type="checkbox"/> American College of Radiology	<input type="checkbox"/> Substance Society Abuse and Mental Health Services Administration

☐ Other: Specify _____

- C. Describe in detail how the Applicants plans to meet the each of the guidelines checked off above.
- D. Submit a list of **all** key professional and administrative personnel, including the Applicant's Chief Executive Officer (CEO) and Chief Financial Officer (CFO), Medical Director, physicians, nurses, therapists, counselors, etc., related to the proposal and a copy of their Curriculum Vitae.

Note: For physicians, please provide a list of hospitals where the physicians have admitting privileges.

E. Provide a copy of the most recent inspection reports and/or certificate for your facility:

- | | |
|---|---|
| <input type="checkbox"/> DPH | <input type="checkbox"/> JCAHO |
| <input type="checkbox"/> Fire Marshall Report | <input type="checkbox"/> Other States Health Dept.
Reports (new out-of-state
providers) |
| <input type="checkbox"/> AAAHC | <input type="checkbox"/> AAAASF |
| <input type="checkbox"/> Other: _____ | |

Note: Above referenced acronyms are defined below. ¹

F. Provide copies of any Quarterly Action Reports, Consent Decrees or Statement of Charges against the Applicant, Physicians and any staff related to the proposal, for the past five (5) years.

G. Provide a copy of any plan of action which has been formulated to address the above action against the Applicant or Physicians or any staff related to the proposal.

H. Provide a copy of the following (as applicable):

- ☐ A copy of the related Quality Assurance plan
- ☐ Protocols for service (new service only)
- ☐ Patient Selection Criteria/Intake form

6. Improvements to Productivity and Containment of Costs

In the past year has your facility undertaken any of the following activities to improve productivity and contain costs?

- | | |
|--|--|
| <input type="checkbox"/> Energy conservation | <input type="checkbox"/> Group purchasing |
| <input type="checkbox"/> Reengineering | <input type="checkbox"/> None of the above |
| <input type="checkbox"/> Application of technology (e.g., computer systems, robotics, telecommunication systems, etc.) | |
| <input type="checkbox"/> Other (identify) _____ | |

¹ DPH – Department of Public Health; JCAHO – Joint Commission on Accreditation of Hospitals Organization; AAAHC – Accreditation Association for Ambulatory Health Care, AAAASF – American Association for Accreditation of Ambulatory Surgery Facilities, Inc.

7. Miscellaneous

- A. Will this proposal result in new (or a change to) your teaching or research responsibilities?

☐ Yes ☐ No

If you checked "Yes," please provide an explanation.

- B. Are there any characteristics of your patient/physician mix that makes your proposal unique?

☐ Yes ☐ No

If you checked "Yes," please provide an explanation.

- C. Provide the following licensing information:

- i) If you are currently licensed, provide a copy of the State of Connecticut Department of Public Health license currently held.
- ii) The DPH licensure category you are seeking. If not applicable, please explain why.

8. Ownership of the Proposed Equipment

- A. Provide a copy of the written agreement or memorandum of understanding between The William W. Backus Hospital and Norwich Radiology Group, P.C. related to the proposal. (Specifically, address the ownership, billing issues since the existing members of Norwich Radiology Group, P.C. will become members of Norwich Diagnostic Imaging, a group contracted to provide imaging services for The William W. Backus Hospital)

Note: If a final version is not available, provide a draft with an estimated date by which the final agreement will be available.

9. Financial Information

- A. Type of ownership: (Please check off all that apply)

☐ Corporation (Inc.) ☐ Limited Liability Company (LLC)

☐ Partnership ☐ Professional Corporation (PC)

☐ Joint Venture ☐ Other (Specify): _____

B. Provide the following financial information:

- i) Pursuant to Section 19a-644, C.G.S., each hospital licensed by the Department of Public Health is required to file with OHCA copies of the hospital's audited financial statements. If the Applicant is a hospital that has filed its most recently completed fiscal year audited financial statements, the Applicant may reference that filing for this proposal.
- ii) Provide the total current assets balance as of the date of submission of this application.
- iii) Provide a copy of the most recently completed internal monthly financial statements, including utilization volume totals to date. (For new service only)

10. Major Cost Components/Total Capital Expenditure

Submit a final version of all capital expenditures/costs as follows:

Medical Equipment (Purchase)	
Major Medical Equipment (Purchase)	
Non-Medical Equipment (Purchase)*	
Land/Building/Asset(Purchase)	
Construction/Renovation	
Other (Non-Construction) Specify: _____	
Total Capital Expenditure	
Medical Equipment (Lease (FMV))	
Major Medical Equipment (Lease (FMV))	
Non-Medical Equipment (Lease (FMV))*	
Fair Market Value of Space – (Capital Leases Only)	
Total Capital Cost	
Capitalized Financing Costs (Informational Purpose Only)	
Total Capital Expenditure with Cap. Fin. Costs	

* Provide an itemized list of all non-medical equipment.

11. Capital Equipment Lease/ Purchase

If the CON involves any capital equipment lease and/or purchase, please answer all of the following that apply:

What is the anticipated residual value at the end of the lease or loan term?	\$ _____
What is the useful life of the equipment?	____ Years
Please submit a copy of the vendor quote or invoice as an attachment.	
Please submit a schedule of depreciation for the purchased equipment as an attachment.	

For multiple items, please attach a separate sheet for each item in the above format.

12. Type of Financing

A. Check type of funding or financing source and identify the following anticipated requirements and terms: (Check all which apply)

☐ Applicants equity:

Source and amount (Specify which Applicant):

Operating Funds Source/Entity Name Available Funds	\$ _____
Contributions	\$ _____
Funded depreciation	\$ _____
Other	\$ _____

☐ Grant:

Amount of grant	_____
Funding institution/ entity	_____

- ☐ Conventional loan or
☐ Connecticut Health and Educational Facilities Authority (CHEFA)
financing:

Current CHEFA debt	
CON Proposed debt financing	
Interest rate	%
Monthly payment	
Term	Years
Debt service reserve fund	

- ☐ Lease financing or
☐ CHEFA Easy Lease Financing:

Current CHEFA Leases	
CON Proposed lease financing	
Fair market value of leased assets at lease inception	
Interest rate	%
Monthly payment	
Term	Years

- ☐ Other financing alternatives:

Amount	
Source (e.g., donated assets, etc.)	

- B. Please provide copies of the following, if applicable:
- Letter of interest from the lending institution,
 - Letter of interest from CHEFA,
 - Amortization schedule (if not level amortization payments),
 - Lease agreement.

13. Revenue, Expense and Volume Projections

A.1. Payer Mix Projection

Please provide both the current payer mix and the projected payer mix with the CON proposal for the Total Facility based on Net Patient Revenue in the following reporting format:

Total Facility Description	Current Payer Mix	Year 1 Projected Payer Mix	Year 2 Projected Payer Mix	Year 3 Projected Payer Mix
Medicare*	%	%	%	%
Medicaid* (includes other medical assistance)				
CHAMPUS and TriCare				
Total Government Payers				
Commercial Insurers*				
Uninsured				
Workers Compensation				
Total Non-Government Payers				
Payer Mix	100.0%	100.0%	100.0%	100.0%

*Includes managed care activity.

A.2. Please describe the impact of the proposal on the interests of consumers of health care services and the payers of such services.

B. Do the Applicants have Tax Exempt Status? ☐ Yes ☐ No

C. Provide the following for the financial and statistical projections:

- i) A summary of revenue, expense and volume statistics, without the CON project, incremental to the CON project, and with the CON project. **See attached.** Please note that the actual results for the fiscal year reported in the first column must agree with the Applicant's audited financial statements.
- ii) The assumptions utilized in developing the projections (e.g., FTE's by position, volume statistics, other expenses, revenue and expense % increases, project commencement of operation date, etc.).

- iii) An explanation for any projected incremental losses from operations contained in the financial projections that result from the implementation and operation of the CON proposal.
- iv) Provide a copy of the rate schedule for the proposed service.
- v) Describe how this proposal is cost effective.

The William W. Backus Hospital

13. C (i). Please provide one year of actual results and three years of projections of **Total Facility** revenue, expense and volume statistics without, incremental to and with the CON proposal in the following reporting format:

Total Facility:									
Description									
NET PATIENT REVENUE									
Non-Government									
Medicare									
Medicaid and Other Medical Assistance									
Other Government									
Total Net Patient Revenue	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Operating Revenue									
Revenue from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
OPERATING EXPENSES									
Salaries and Fringe Benefits									\$0
Professional / Contracted Services									\$0
Supplies and Drugs									\$0
Bad Debts									\$0
Other Operating Expense									\$0
Subtotal	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Depreciation/Amortization									\$0
Interest Expense									\$0
Lease Expense									\$0
Total Operating Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Gain/(Loss) from Operations	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus: Non-Operating Revenue									\$0
Revenue Over/(Under) Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
FTEs									0
*Volume Statistics:									

Provide projected inpatient and/or outpatient statistics for any new services and provide actual and projected inpatient and/or outpatient statistics for any existing services which will change due to the proposal.



STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

M. JODI RELL
GOVERNOR

CRISTINE A. VOGEL
COMMISSIONER

June 30, 2006

David Whitehead
Vice President, Planning
The William W. Backus Hospital
326 Washington Street
Norwich, CT 06360

Re: Letter of Intent, Docket Number 06-30766
The William W. Backus Hospital
Acquisition of Norwich Radiology Group, P.C. and its Assets, including a CT
Scanner and an MRI Scanner
Notice of Letter of Intent

Dear Mr. Whitehead:

On June 16, 2006, the Office of Health Care Access ("OHCA") received the Letter of Intent ("LOI") Form of The William W. Backus Hospital ("Applicant") for the Acquisition of Norwich Radiology Group, P.C. and its assets, including a CT scanner and an MRI scanner, at a total capital expenditure of \$2,213,336.

A notice to the public regarding OHCA's receipt of a LOI was published in the *Norwich Bulletin* pursuant to Section 19a-639 of the Connecticut General Statutes. Enclosed for your information is a copy of the notice to the public.

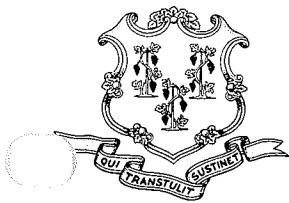
Sincerely,

A handwritten signature in cursive script, reading "Kimberly R. Martone", with a circled "SL" to the right.

Kimberly R. Martone
Certificate of Need Supervisor

KRM:SL:dpd

Enc.



M. JODI RELL
GOVERNOR

STATE OF CONNECTICUT

OFFICE OF HEALTH CARE ACCESS

CRISTINE A. VOGEL
COMMISSIONER

June 30, 2006

Requisition # HCA07-018
E-Mail: NDouglas@Norwich.gannett.com

Norwich Bulletin
66 Franklin Street
Norwich, CT 06360

Gentlemen/Ladies:

Please make an insertion of the attached copy, in a single column space, set solid under legal notices, in the issue of your newspaper by no later than Tuesday, July 4, 2006.

Please fax evidence that the legal notice was published by the date requested above to (860) 418-7053. In addition, please send the original legal notice (full tear sheet is required) with the invoice.

If there are any questions regarding this legal notice, please contact Steven Lazarus at (860) 418-7001.

KINDLY RENDER BILL IN DUPLICATE ATTACHED TO THE TEAR SHEET.

Sincerely,

Kimberly R. Martone
Certificate of Need Supervisor

Attachment

KRM:SL:dpd

c: Sandy Salus, OHCA

PLEASE INSERT THE FOLLOWING:

Applicant: The William W. Backus Hospital
Town: Norwich
Docket Number: 06-30766-LOI
Proposal: Acquisition of Norwich Radiology Group, P.C. and its
Assets, including a CT Scanner and an MRI Scanner
Total Capital Expenditure: \$2,213,336

The Applicant may file its Certificate of Need application between August 15, 2006 and October 14, 2006. Interested persons are invited to submit written comments to Cristine A. Vogel, Commissioner Office of Health Care Access, 410 Capitol Avenue, MS13HCA P.O. Box 340308 Hartford, CT 06134-0308.

The Letter of Intent is available for inspection at OHCA. A copy of the Letter of Intent or a copy of Certificate of Need Application, when filed, may be obtained from OHCA at the standard charge. The Certificate of Need application will be made available for inspection at OHCA, when it is submitted by the Applicant.

Dominello, Dawn

From: Douglas, Nancy [ndouglas@norwich.gannett.com]
Sent: Friday, June 30, 2006 3:44 PM
To: Dominello, Dawn
Subject: RE:

all set for July 3 - Monday

Nancy Douglas
Classified Adv.
Phone 860-889-3363
Fax 860-887-1949
email ndouglas@norwich.gannett.com

> -----
> From: Dominello, Dawn
> Sent: Friday, June 30, 2006 2:30 PM
> To: Douglas, Nancy
>
> <<File: 06-30766-LOI Norwich Bulletin.doc>> Nancy, can you please let
> me know that you have received this notice for DN#30766
>
>
>
>
> Thanks, Dawn Dominello
>
>